

**2011 Jr1 DRAFTING REQUEST**

**Assembly Amendment (AA-ASA(LRBs0015/2)-AB7)**

Received: **01/20/2011**

Received By: **jkreye**

Wanted: **As time permits**

Companion to LRB:

For: **Tamara Grigsby (608) 266-0645**

By/Representing: **kevin**

May Contact:

Drafter: **jkreye**

Subject: **Tax, Business - credits**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Grigsby@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**  
**ron.shanovich@legis.wisconsin.gov**  
**rob.reinhardt@legis.wisconsin.gov**

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Job creation credits; audits

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**Instructions:**

See attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	jkreye 01/20/2011	kfollett 01/20/2011	rschlue 01/20/2011	_____	lparisi 01/20/2011	lparisi 01/20/2011	

FE Sent For:

<END>

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*Rob Reinhardt  
& Rob Reinhardt*

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/1	jkreye	1/15 f 1/30		==			

FE Sent For: <END>



State of Wisconsin  
2011 - 2012 LEGISLATURE  
January 2011 Special Session



LRBs0015/2  
JK:nwn/wlj/cjs:md

ASSEMBLY SUBSTITUTE AMENDMENT ,  
TO ASSEMBLY BILL 7

1 AN ACT *to create* 71.05 (6) (b) 47., 71.26 (1) (h) and 71.45 (1) (c) of the statutes;  
2 relating to: a job creation income and franchise tax deduction and granting  
3 rule-making authority.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

4 SECTION 1. 71.05 (6) (b) 47. of the statutes is created to read:

5 71.05 (6) (b) 47. An amount equal to the increase in the number of full-time  
6 equivalent employees employed by the taxpayer in this state during the taxable year,  
7 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000  
8 in the taxable year or \$2,000 for a business with gross receipts greater than  
9 \$5,000,000 in the taxable year. For purposes of this subdivision, the increase in the  
10 number of full-time equivalent employees employed by the taxpayer in this state  
11 during the taxable year is determined by subtracting from the number of full-time

1 equivalent employees employed by the taxpayer in this state during the taxable year,  
2 as determined by computing the average employee count from the taxpayer's  
3 quarterly unemployment insurance reports or other information as required by the  
4 department for the taxable year, the number of full-time equivalent employees  
5 employed by the taxpayer in this state during the immediately preceding taxable  
6 year, as determined by computing the average employee count from the taxpayer's  
7 quarterly unemployment insurance reports or other information as required by the  
8 department for the immediately preceding taxable year. No person may claim a  
9 deduction under this subdivision if the person may claim a credit under this  
10 subchapter based on the person relocating the person's business from another state  
11 to this state and in an amount equal to the person's tax liability. The department  
12 shall promulgate rules to administer this subdivision.

13 **SECTION 2.** 71.26 (1) (h) of the statutes is created to read:

14 71.26 (1) (h) An amount equal to the increase in the number of full-time  
15 equivalent employees employed by the taxpayer in this state during the taxable year,  
16 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000  
17 in the taxable year or \$2,000 for a business with gross receipts greater than  
18 \$5,000,000 in the taxable year. For purposes of this paragraph, the increase in the  
19 number of full-time equivalent employees employed by the taxpayer in this state  
20 during the taxable year is determined by subtracting from the number of full-time  
21 equivalent employees employed by the taxpayer in this state during the taxable year,  
22 as determined by computing the average employee count from the taxpayer's  
23 quarterly unemployment insurance reports or other information as required by the  
24 department for the taxable year, the number of full-time equivalent employees  
25 employed by the taxpayer in this state during the immediately preceding taxable

1 year, as determined by computing the average employee count from the taxpayer's  
2 quarterly unemployment insurance reports or other information as required by the  
3 department for the immediately preceding taxable year. No person may claim a  
4 deduction under this paragraph if the person may claim a credit under this  
5 subchapter based on the person relocating the person's business from another state  
6 to this state and in an amount equal to the person's tax liability. The department  
7 shall promulgate rules to administer this paragraph.

8 **SECTION 3.** 71.45 (1) (c) of the statutes is created to read:

9 71.45 (1) (c) An amount equal to the increase in the number of full-time  
10 equivalent employees employed by the taxpayer in this state during the taxable year,  
11 multiplied by \$4,000 for a business with gross receipts of no greater than \$5,000,000  
12 in the taxable year or \$2,000 for a business with gross receipts greater than  
13 \$5,000,000 in the taxable year. For purposes of this paragraph, the increase in the  
14 number of full-time equivalent employees employed by the taxpayer in this state  
15 during the taxable year is determined by subtracting from the number of full-time  
16 equivalent employees employed by the taxpayer in this state during the taxable year,  
17 as determined by computing the average employee count from the taxpayer's  
18 quarterly unemployment insurance reports or other information as required by the  
19 department for the taxable year, the number of full-time equivalent employees  
20 employed by the taxpayer in this state during the immediately preceding taxable  
21 year, as determined by computing the average employee count from the taxpayer's  
22 quarterly unemployment insurance reports or other information as required by the  
23 department for the immediately preceding taxable year. No person may claim a  
24 deduction under this paragraph if the person may claim a credit under this  
25 subchapter based on the person relocating the person's business from another state

1 to this state and in an amount equal to the person's tax liability. The department  
2 shall promulgate rules to administer this paragraph.

3 **SECTION 4. Nonstatutory provisions.**

4 (1) REQUIRED GENERAL FUND BALANCE. Section 20.003 (4) of the statutes does not  
5 apply to the action of the legislature in enacting this act.

6 **SECTION 5. Initial applicability.**

7 (1) This act first applies to taxable years beginning on January 1, 2011.

8 (END)



State of Wisconsin  
2011 - 2012 LEGISLATURE

January 2011 Special Session



LRBa0193/1

JK...

*kgf*

ASSEMBLY AMENDMENT , *attached*  
TO ASSEMBLY SUBSTITUTE AMENDMENT (LRBs0015/2),  
TO ASSEMBLY BILL 7

*now*

1 At the locations indicated, amend the substitute amendment as follows: ✓

2 1. Page 4, line 2: after that line insert:

3 "SECTION 3m. 73.14<sup>pe 5</sup> of the statutes is created to read:

4 73.14<sup>pe 5</sup> Job creation deductions. The department of revenue shall contract  
5 with the legislative audit bureau to conduct financial and performance audits of the  
6 job creation income and franchise tax deductions under ss. 71.05 (6) (b) 47., 71.26 (1) ✓  
7 (h), and 71.45 (1) (c) ✓ and the completed audits shall be submitted to the joint  
8 legislative audit committee and to the joint committee on finance.".

9 (END)